



The Health and Social Care Alliance Scotland (the ALLIANCE)



Health, Care and Sport Committee: Pre- budget scrutiny 2026 ALLIANCE response

16 October 2026

Introduction

The Health and Social Care Alliance Scotland (the ALLIANCE) welcomes the opportunity to respond to the Health, Care and Sport Committee's pre-budget scrutiny for 2026. The forthcoming Budget is an important opportunity to address immediate pressures across health and social care while accelerating a longer-term shift towards prevention, early intervention and community-based support.

Meeting Scotland's future health and care needs will require more fundamental transformation rather than incremental changes to existing models. This means sustaining the acute and crisis services people rely on now while investing further upstream in social care, preventative services and community capacity, alongside action on the wider factors that drive ill health and inequalities.

Budget decisions should also be guided by human rights and the outcomes that matter to people and communities. Greater emphasis should be placed on whether investment enables people to realise their rights, live independently and participate in their communities, rather than relying primarily on measures of activity or organisational performance. The development of the Scottish Government's Preventative Budgeting Tool provides an opportunity to strengthen transparency about investment in prevention and the outcomes it is intended to support.

Pre-budget scrutiny must place greater emphasis on the contribution of social care and the third sector within the wider health and social care system, recognising that improving outcomes and achieving long-term sustainability depends on more than healthcare services alone. The third sector should be involved from the outset in the design and implementation of reform and supported through sustainable funding, while social care should be recognised as essential health and care infrastructure in its own right.

The ALLIANCE recommends the Scottish Government:

- invest in prevention, early intervention and community-based support while maintaining the acute and crisis services needed to meet current demand;



- provide specific and sustained investment in social care to meet current and unmet need, build future capacity and support a sustainable workforce;
- embed human rights and outcomes-based approaches in resource allocation and make preventative investment more transparent;
- involve the third sector and people who use services in the design of reform from the outset;
- provide fair, sustainable and multi-year funding for third sector organisations, including appropriate support for core costs and increases in delivery costs; and
- take a long-term approach to financial sustainability, focusing on transformation, prevention and reducing avoidable system complexity rather than short-term reductions that risk increasing unmet need or transferring costs elsewhere.

Question 1: What steps should the Scottish Government take now to prepare for future challenges in the health, care and sport sectors?

The ALLIANCE recommends the Scottish Government to use the forthcoming Budget to accelerate the shift towards prevention, early intervention and community-based support, while sustaining the health and social care services people rely on now.

The principles established by the Independent Review of Adult Social Care (Feeley review)¹ and the Christie Commission on the Future Delivery of Public Services² provide an important framework for managing this transition: social care should be valued equally alongside healthcare, services should be designed around people's needs, and investment should move further upstream to prevent avoidable ill health, reduce inequalities and ease pressure on acute and crisis services.

This requires more fundamental service transformation rather than incremental alteration of existing models. Future demand cannot be met solely by increasing capacity in services that are already under pressure. Greater emphasis should be placed on addressing the factors that drive demand, including poverty, poor housing and limited access to community support.



Preparing for future challenges therefore requires transition investment. Acute and crisis services cannot simply be defunded while demand remains high. Preventative services, social care and community capacity must be invested in alongside them. The Budget should both meet immediate need and begin changing the conditions that generate future demand.

Sustained investment in community-led approaches should form a key part of this transition. Community Link Workers provide one practical example of what investment in prevention and the wider determinants of health can look like. Through social prescribing, Link Workers can connect people with social security advice, community organisations, food support and other services that can address issues such as low income, insecure employment, poor housing and social isolation. This enables people to access support beyond the clinical treatment a GP can provide, reduce demand on GP time and can help prevent people's circumstances and support needs from escalating. Preventative infrastructure of this kind requires sustainable funding if it is to deliver long-term benefits.

The ALLIANCE strongly urges the Scottish Government to involve the third sector from the outset in the design and implementation of reform announced through the Programme for Government, rather than bringing organisations in only to deliver models developed elsewhere. Third sector organisations bring expertise, trusted relationships with communities and experience of flexible, person centred and preventative approaches. Their contribution should be supported through sustainable funding and workforce investment that enables organisations to retain expertise, plan for the longer term and sustain services that demonstrate value.

Workforce planning must similarly recognise the full range of people and organisations sustaining health and care rather than focusing solely on NHS headcount. This includes unpaid carers, whose contribution cannot be treated as an unlimited source of capacity. Recent UK-wide research from Carers UK estimates that 1.1 million people left employment to provide care in the previous two years, equivalent to around 1,500 each day. The Scottish Government should recognise carers' contribution while protecting



their own rights, health and wellbeing. A sustainable health and care system cannot depend on transferring increasing responsibility onto unpaid carers.

More broadly, reform should be judged by whether it improves outcomes for people and communities, rather than primarily by organisational structures or narrow measures of system performance such as delayed discharge. Measures of success should consider whether people can access support when they need it, live independently, participate in their communities and realise their rights. This is particularly important for social care, whose value should not be reduced to its contribution to NHS capacity.

Question 2: How can resources be allocated to help meet current and future challenges in service delivery and improve outcomes in the health, care and sport sectors?

The ALLIANCE believes resource allocation should prioritise greater investment in prevention, early intervention, social care and community-based support. Prevention requires upfront investment. Resources cannot simply be removed from already pressured acute and crisis services while demand remains high. Government should therefore sustain existing provision while building preventative and community capacity, with the aim of reducing avoidable demand and escalation over the longer term.

Resource allocation should also be informed by a human rights and outcomes-based approach. Current funding and performance frameworks can place significant emphasis on activity and organisational performance. Our members have consistently reflected that if performance frameworks primarily measure outputs such as waiting times, resources can become overly driven towards those outputs rather than the broader outcomes that matter to Scotland's population.

Greater weight should therefore be given to whether investment enables people to realise their rights, improves individual and community wellbeing and delivers longer-term outcomes. The ALLIANCE are longstanding



advocates of human rights budgeting and have repeatedly called on the Scottish Government to embed this approach within the annual Budget process.

Transparency is central to this approach. We therefore welcome the development of the Scottish Government's Preventative Budgeting Tool and believe it provides an opportunity to improve scrutiny of where preventative investment is being made and the outcomes it is intended to support. The Scottish Government describes the tool as enabling budgets to be analysed and spending tagged according to preventative activity and associated National Outcomes.

A prevention-focused approach also requires fairer and more sustainable funding for the third sector. Multi-year funding, appropriate inflationary uplifts, timely funding decisions, full consideration of the costs of delivery and proportionate reporting requirements would enable preventative and community organisations to retain skilled staff, plan effectively and sustain support rather than operating through repeated short-term funding cycles. This would provide support for organisations to focus on prevention and early intervention, rather than managing ongoing funding uncertainty.

Social care must receive specific and sustained investment and be treated as essential health and care infrastructure in its own right. Funding should address current and unmet need, build capacity to respond to future demand and support a sustainable social care workforce. This would help people access appropriate support earlier, retain their independence and avoid needs escalating before support becomes available.

Question 3: Can we learn lessons from other places?

The ALLIANCE believes there are important lessons from approaches which place greater emphasis on prevention, wellbeing and human rights in the design, delivery and funding of public services.

Human rights-based budgeting offers one useful framework. It requires consideration not only of how resources are allocated, but of how people's



rights are affected by the processes through which budgets are formulated, scrutinised, implemented and evaluated. Applying these principles consistently can strengthen transparency and accountability around difficult decisions on investment, service redesign and limited resources.

This should sit alongside the principles of a wellbeing economy, recognising investment in essential services such as social care not solely as expenditure but as investment in people's ability to live independently and participate in their communities, while supporting sustainable employment and the realisation of human rights.

Learning should not, however, be limited to approaches developed elsewhere. There are important lessons in the innovation already present in Scotland's third sector and communities. Third sector organisations respond to people as whole individuals, identify changing needs, connect people with different forms of support and adapt as circumstances change.

The Scottish Government should consider how that flexibility can be sustained and scaled, and what statutory services can learn from the third sector to make health and social care more person centred and seamless. In particular, the principle of “no wrong door” should become a practical reality so that people are supported to reach the right service rather than being expected to navigate complex organisational boundaries themselves.

The priority should therefore be to identify what works, invest sustainably in effective approaches and create the conditions for them to be embedded and applied more widely. Learning from other systems should be assessed against Scotland's context and the outcomes, rights and experiences of people who use services.

Question 4: How would you see this planned budget increase meeting the various challenges facing health and social care over the next two years, including:

- **addressing the treatment backlog**
- **cost and demand pressures in areas such as NHS pay, drug costs and demographic pressures.**



The planned increase in funding will be important in managing immediate pressures, including treatment backlogs, workforce costs and rising demand. However, additional funding should not be absorbed entirely by acute pressures. Social care must receive greater and sustained investment alongside healthcare, while investment should also address the wider determinants of health which contribute to demand across the system.

Demand for social care is growing, while people continue to experience challenges accessing the support they require and providers face substantial financial and workforce pressures. The Budget should therefore support:

- targeted investment to address unequal access and regional disparities;
- robust fiscal modelling of the investment required to meet current unmet need and future demand;
- sustainable funding for third sector social care providers;
- investment in workforce capacity, pay and conditions; and
- progress towards fair pay for the social care workforce.

The Committee should therefore scrutinise both the level and balance of additional spending: how much addresses immediate backlogs and unavoidable cost pressures, and how much builds preventative capacity. The development of the Preventative Budgeting Tool provides an opportunity to make that distinction increasingly transparent.

Without that balance, additional funding risks managing today's pressures without changing the factors driving them. Sustainable financial planning requires both maintaining the acute and crisis services people need now and investing in the conditions that can reduce avoidable demand and improve outcomes over the longer term.



Question 5: How can or should any additional health and social care funding be directed to support alternative models of service delivery?

Additional funding should support community-based, preventative and person centred models of delivery, with the third sector and people who use services involved in their design from the outset. Third sector organisations often have trusted relationships with communities and can provide flexible support that identifies and responds to need before it escalates.

However, prevention cannot be delivered through a perpetual cycle of short-term pilots. Scotland's third sector has a strong track record of developing innovative approaches and generating evidence about what works. Where an approach has demonstrated value, additional investment should prioritise embedding and scaling it, alongside appropriate investment in genuinely new innovation.

Pilots have a valuable role where an approach is genuinely experimental and requires testing. They become counterproductive where effective services repeatedly have to compete for short-term funding rather than having a route into sustainable provision.

This is particularly important given the financial pressures facing the third sector. The ALLIANCE's Stretched Beyond Limit research published in December 2025 found that 64% of participating third sector members reported being financially insecure, up from 49% in March 2024³. It also found pressures including cuts to core grants and unsustainable reliance on reserves.

Short-term and insecure funding makes it harder for organisations to retain staff, plan services and sustain preventative provision. The sustainability of third sector health and care provision should therefore be treated as part of the sustainability of the wider system, rather than as a separate consideration.



Question 8: The Spending Review also sets out detail on how it aims to achieve £1.5 billion of savings through public sector efficiencies, with over £1 billion of the total planned savings to come from the health and care sector. Is the achievement of financial sustainability a realistic prospect in the face of continuing pressures around pay costs, treatment costs and rising demand?

Financial sustainability is achievable only if it is understood as a long-term programme of transformation rather than a short-term exercise in reducing expenditure.

Continuing pressures from pay, treatment costs, demographic change and rising demand mean efficiencies must come from genuine transformation of services and systems, rather than reductions which risk worsening outcomes, increasing unmet need or transferring costs elsewhere.

Budget decisions now will influence financial sustainability over a much longer timeframe than the current Spending Review period. Investment in prevention, early intervention, community support and social care may not generate immediate financial savings. However, failure to invest can allow people's needs to escalate and increase reliance on more intensive services.

The Scottish Government must therefore take a longer-term view. Financial sustainability should mean using public resources in ways that reduce avoidable demand, address underlying drivers of ill health, enable people to maintain their independence, and sustain high-quality services over the longer term.

This distinction is particularly important when considering workforce savings. Reducing staffing expenditure may produce short-term savings but should not automatically be treated as an efficiency where it diminishes the capacity required to provide effective services or deliver longer-term transformation. Administrative, digital and coordination functions can enable frontline delivery, so reducing non-frontline capacity can also have consequences for services.



Workforce planning should involve the people delivering and using services, with the aim of ensuring that savings measures do not inadvertently remove capacity required to provide effective and preventative support.

As our members continually emphasise, there is a stronger case for targeting avoidable system complexity and duplication in pursuit of financial sustainability. This should include better aligned and interoperable IT systems, reducing repeated data collection and entry, and addressing siloed working. The objective should be to make the system work more effectively around people's needs rather than simply reducing individual budgets or workforce numbers.

Question 9: To what extent do previous budgets and the plans set out in the Spending Review support a shift away from reactive services towards preventative approaches? How can more be achieved?

The ALLIANCE believes that, while prevention, collaboration and community-based support have been longstanding policy ambitions, they have not yet translated into sufficient structural change or a sufficient shift of resources towards preventative approaches. Our members have repeatedly expressed frustration at the gap between positive rhetoric on prevention and their experience of funding and service delivery.

We recognise the difficulty of shifting expenditure from crisis intervention when demand for acute services remains high and public finances are under pressure. However, this strengthens rather than weakens the case for explicit transition investment. Without building preventative capacity alongside existing services, the conditions driving demand will remain.

Recent findings from Prevention Under Pressure, a report jointly produced by the Scottish Community Development Centre (SCDC), Scottish Communities for Health and Wellbeing (SCHW) and the Health and Social Care Alliance Scotland (the ALLIANCE)⁴, reinforce these concerns. Drawing on evidence from 67 community-led health organisations across



Scotland, the report found a growing disconnect between policy commitments to prevention and funding decisions in practice.

Participating organisations reported significant increases in demand and complexity of need, with many supporting people who had reached crisis point following long waits for statutory services. At the same time, organisations described declining or withdrawn funding, increasing reliance on reserves and growing difficulty sustaining preventative support. The findings highlight the importance of aligning ambitions for prevention with investment decisions in practice and ensuring that community-led organisations have the resources required to deliver the preventative support that policy frameworks consistently identify as a priority.

The Scottish Government should therefore prioritise sustained investment in preventative infrastructure and community-based support. As outlined above, Community Link Workers provide one practical example of preventative infrastructure that connects primary care with support addressing the wider determinants of health. In 2022 the ALLIANCE commissioned Biggar Economics to do a social return on investment for our Glasgow programme and findings showed that Community Links Worker Programme (CLW) generated £18.2 million in wellbeing benefits for communities in the west of Scotland: £8.79 benefit for every £1 of public funding invested⁵.

This illustrates why prevention requires investment beyond traditional healthcare services. It is most effective when people can access appropriate support early and in their communities, before needs escalate and require more intensive, and costly, intervention. Preventative services must therefore be sufficiently resourced and sustained over time. Short-term or insecure funding undermines staff retention, trusted relationships and continuity of support.

Government should also move beyond repeatedly funding preventative initiatives through short-term pilots. Where an approach has demonstrated value, funding should support its embedding and scaling rather than requiring organisations to continually start again or compete to maintain established services. For third sector organisations, repeated short-term



funding cycles compound wider difficulties caused by one-year funding, application and reporting burdens, and late notification of funding decisions.

A human rights budgeting approach should reinforce this shift by providing a framework for considering whether resources support people's rights and the longer-term outcomes that matter to them. Greater transparency around preventative expenditure is also essential. The Scottish Government's Preventative Budgeting Tool now provides a methodology through which planned spending can be classified as preventative or other forms of expenditure and linked to outcomes. The Committee should use the development of this approach to scrutinise whether commitments to prevention are translating into identifiable investment and improved outcomes.

Critically, social care should also be recognised as a core part of Scotland's preventative infrastructure, rather than primarily through its contribution to NHS pressures and delayed discharge. Social care supports disabled people, people with long-term conditions, people with mental health needs, older people, children and young people, among others.

When people can access the right support at the right time, social care enables them to maintain independence, exercise choice and control, participate in their communities and achieve the outcomes that matter to them. The ALLIANCE therefore believes that a genuine shift towards prevention requires greater parity between social care and healthcare and sustained investment in social care based on its value to people and communities in its own right, not simply its impact on NHS capacity.

Question 13: Are there any other matters relating to the forthcoming budget of the Scottish Government in 2027-28 that fall into the remit of the Health, Care and Sport Committee that you would like to bring to our attention?



The Committee should consider the sustainability of third sector health and care provision as part of its scrutiny of the sustainability of the whole system. Third sector organisations deliver frontline, preventative and community-based support, yet short-term funding arrangements and inadequate coverage of core organisational costs can undermine their ability to plan and deliver sustainably.

Fair, multi-year funding would reduce instability, support staff retention and allow organisations to plan and sustain effective services. The ALLIANCE supports the Scottish Council for Voluntary Organisations' Fair Funding principles⁶. SCVO describes Fair Funding as a funding environment that is fair, flexible, sustainable and accessible, including longer-term funding, proportionate processes and unrestricted funding with uplifts reflecting rising delivery costs.

The Scottish Government should therefore deliver multi-year funding that adequately covers project and core organisational costs, reflects increases in the costs of delivery, and provides organisations with timely notification of funding decisions.

The Committee should also consider whether current measures of success reflect the outcomes Scotland wants from health and care. Greater emphasis should be placed on prevention, wellbeing, people's experiences and rights rather than activity, waiting times and hospital flow alone.

This is particularly important for social care. It should not be viewed solely through the lens of delayed discharge or its impact on the NHS, but as a vital service in its own right which enables people to live well, exercise choice and control, maintain relationships and participate in their communities.



About the ALLIANCE

The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector membership organisation for the health and social care sector. We bring together over 3,500 people and organisations dedicated to achieving our vision of a Scotland where everyone has a strong voice and enjoys the right to live well, with dignity and respect. Our members are essential in creating a society in which we all can thrive, and we believe that by working together, our voice is stronger.

We work to improve the wellbeing of people and communities across Scotland by supporting change in health, social care and other public services so they better meet the needs of everyone in Scotland. We do this by bringing together the expertise of people with lived experience, the third sector, and organisations across health and social care to shape better services and support positive change.

The ALLIANCE has three core aims.

We seek to:

- **Empower people with lived experience:** we ensure disabled people, people with long term conditions, and unpaid carers are heard and that their needs remain at the heart of the services and communities.
- **Support positive change:** we work within communities to promote co-production, self management, human rights, and independent living.
- **Champion the third sector:** we work with, support and encourage co-operation between the third sector and health and social care organisations.

The ALLIANCE is committed to upholding human rights. We embed lived experience in our work and aim to ensure people are meaningfully involved at every level of decision-making.



Working together creates positive, long-lasting impact. We work in partnership with the Scottish Government, NHS Boards, universities, and other key organisations within health, social care, housing, and digital technology to manage funding and develop successful projects. Together, our voice is stronger, and we can create meaningful change.

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¹ Scottish Government, 'Independent Review of Adult Social Care in Scotland', (February 2021), available at: <https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2021/02/independent-review-adult-social-care-scotland/documents/independent-review-adult-care-scotland/independent-review-adult-care-scotland/govscot%3Adocument/independent-review-adult-care-scotland.pdf>

² Scottish Government, 'Commission on the Future delivery of Public Services', (June 2011), available at: <https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2011/06/commission-future-delivery-public-services/documents/0118638-pdf/0118638-pdf/govscot%3Adocument/0118638.pdf>

³ The ALLIANCE, 'Stretched Beyond Limit' (December 2025), available at: <https://www.alliance-scotland.org.uk/wp-content/uploads/2025/12/Stretched-Beyond-Limit-Report-December-2025.pdf>

⁴ Scottish Communities for Health and Wellbeing, The ALLIANCE and Community Health Exchange (CHEX), 'Prevention Under Pressure' (August 2026), available at: <https://www.alliance-scotland.org.uk/blog/resources/report-prevention-under-pressure/>

⁵ BIGGAR Economics, 'The ALLIANCE: Impact Assessment – Community Links Worker Programme'

⁶ SCVO, 'Fair Funding', available at: <https://scvo.scot/policy/fair-funding-procurement/fair-funding>

